

AUDIT COMMITTEE

Date of Meeting	Friday, 15 February 2019
Report Subject	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan
Cabinet Member	Not Applicable
Report Author	Internal Audit Manager
Type of Report	Assurance

EXECUTIVE SUMMARY

The Corporate Anti-Fraud & Corruption Strategy is written for the benefit of employees, members, the public, organisations and businesses dealing with the Council who are also expected to act with integrity. The strategy outlines the Council's commitment to the prevention and detection of fraud and its zero tolerance of such acts of fraud and corruption.

The Fraud and Irregularity Response Plan underpins the Corporate Anti-Fraud & Corruption Strategy to provide guidance and outline the actions that should be taken if an individual suspects a fraud or corrupt act, what will happen after they have passed on their suspicion and the action that may be taken.

RECOMMENDATIONS

1	For the Committee to agree or amend as appropriate the updated Corporate Anti-Fraud & Corruption Strategy.
2	For the Committee to agree or amend as appropriate the updated Fraud & Irregularity Response Plan.

REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
1.01	The Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan has been in use within the Council since 2002 and were last updated and approved by Audit Committee in 2014. There is a need to review them periodically to ensure they reflect any changes in working practice, legislation and other regulations. The two documents have been

	updated by Internal Audit and reviewed by Governance and People and Resources.
1.02	The Corporate Anti-Fraud & Corruption Strategy has been reviewed alongside CIPFA's Code of Practice on Managing the Risk of Fraud. Published strategies from other Councils have also been considered.
1.03	The Corporate Anti-Fraud & Corruption Strategy states the Council has a zero tolerance for fraud and corruption, defines them and outlines the culture within the Council to address this. It outlines prevention, deterrence, detection, and investigation measures in place and lists the roles and responsibilities of individuals and groups of both within and outside of the Council.
1.04	The Fraud and Irregularity Response Plan defines the responsibilities for action and provides guidance to the workforce, managers and third party individuals outside of the Council in the event a suspected fraud or other irregularity.
1.05	<p>The review of both the Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan resulted in few changes being made apart from bringing both documents up to date to reflect current terminology and positions within the Council.</p> <p>Both the Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan were expanded to reflect the Council's commitment to Welsh Government's Ethical Procurement Practices ensuring there is an appropriate route for individuals to have the ability to report any concerns they have. These changes can be found in:</p> <p>Corporate Anti-Fraud & Corruption Strategy</p> <ul style="list-style-type: none"> • Inclusion of third party individuals within the strategy (section 2.5). • Outlines the responsibilities of these individuals to report any concerns (section 7). <p>Fraud and Irregularity Response Plan</p> <ul style="list-style-type: none"> • Inclusion of third party individual's responsibilities to report any suspicions of fraud or corruption whether this is against the Council or the supplier / contractor (section 7).
1.06	Both the Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan refers to the Whistleblowing policy which has been updated alongside these policies.
1.07	<p>To aid clarity and transparency two copies of the Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan are included:</p> <ul style="list-style-type: none"> • Appendix A – shows where the changes have occurred, with the tracked changes to the Corporate Anti-Fraud & Corruption Strategy; • Appendix B – shows the revised Corporate Anti-Fraud & Corruption Strategy without the changes tracked; • Appendix C – shows where the changes have occurred, with the tracked changes to the Fraud & Irregularity Response Plan; and

	<ul style="list-style-type: none"> Appendix D – shows the revised Fraud & Irregularity Response Plan without the changes tracked.
1.08	The Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan both form part of the Council's Constitution. Following approval by the Audit Committee they will be presented to the Constitution and Democratic Services Committee.
1.09	It is intended to publicise the Strategy and Response Plan to all employees, members. The Strategy and Response Plan will also be made available on both the Council's website and infonet and shared with suppliers and contractors as part of future procurement exercises.

2.00	RESOURCE IMPLICATIONS
2.01	None as a direct result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	None from the report itself.

5.00	APPENDICES
5.01	<p>Appendix A – Corporate Anti-Fraud & Corruption Strategy – with the tracked changes to the Strategy;</p> <p>Appendix B – Corporate Anti-Fraud & Corruption Strategy – without the changes tracked;</p> <p>Appendix C – Fraud & Irregularity Response Plan – with the tracked changes;</p> <p>Appendix D – Fraud & Irregularity Response Plan – without the changes tracked.</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Lisa Brownbill, Internal Audit Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: Lisa.brownbill@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Fraud: where an individual has undertaken, or intends to undertake, actions in order to obtain gain for him/herself or another, or cause loss to another, or expose another to risk of loss.</p> <p>Corruption: refers to an individual who has given or obtained advantage through means which are illegitimate, immoral, and/or inconsistent with their duty to the Authority or the rights of others.</p>